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RAMBLER EXPLORATION COMPANY LIMITED



Annual Report 1968

Rambler Exploration Company Limited

Officers and Directors: JAMES B. GOAD, *President*

C. EDWARD GOAD, *Vice-President*

MARILYN A. ERIKSEN, *Secretary/Treasurer*

Transfer Agents: GUARANTY TRUST COMPANY OF CANADA, Toronto

Solicitors: SALTER, REILLY, JAMIESON & APPLE, Toronto

Head Office: Suite 2314, 401 Bay Street, Toronto 1, Ontario

President's Report

Your Directors submit herewith the financial statements of your company for the year ended December 31, 1968, as well as an outline of plans for the current year.

Statements for the first quarter of 1969 are also available, and your directors take this opportunity to bring you up-to-date on the financial position of the company.

Shareholders will note a substantial improvement in Rambler Exploration's financial status. As of March 31, 1969, liquid assets exceeded \$27,000 and net profit, after provision for income taxes, was \$15,282.

This favourable situation now enables us to embark on an exploration program.

Tulune Lake Prospect

Your company has acquired an option on 30 nickel-copper claims at Tulune Lake, Manitoba, about 17 miles east of Sherritt Gordon's Lynn Lake mine. These claims are held by the Tulune Grubstake Syndicate made up of Gordon Wilton, William Daniels and Leonard Mendels.

Under the terms of the option, Rambler Exploration may acquire full title to the 30 claims

at any time during the next two years. In consideration for the 30 claims, the Tulune Grubstake Syndicate will receive 300,000 shares of your company, contributed by Resource Exploration & Development Company Limited (REDCO).

REDCO, who is a major shareholder in your company, has agreed to donate the 300,000 shares from its present holding of 720,000 escrowed shares. Rambler Exploration has undertaken to spend, within two years, up to \$30,000 on geological and geophysical work, together with diamond drilling.

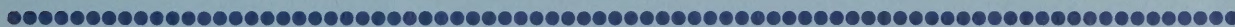
Subject to approval by regulatory authorities, your directors intend to obtain additional funds required for the project through an underwriting and sale of treasury shares of your company. These shares will only be qualified in Ontario.

In the opinion of your directors, the Tulune Lake property merits further exploration.

Shareholders will be informed of the progress and results of our program.

JAMES B. GOAD

President.



For the information of Shareholders we are reproducing below an extract from the Report of Tom Gledhill dated May 14th, 1969 relating to the Tulune Lake Property.

"SUMMARY

Rambler Exploration Company have under option 30 claims 16 miles northeast of the nickel-copper deposits of Lynn Lake. In a sill-like basic intrusive complex, evidence of differentiation was found. Copper and nickel-copper mineralization of sub economic grade has given encouragement to investigate the lower portion of this basic sill.

It is recommended that an exploratory programme probe an area where the base of the sill may be near surface as the resulting of faulting. This programme would cost \$20,000. If the investigation of the basal portion of the sill is successful, induced polarization surveys and subsequent drilling of the anomalies are recommended at a cost of \$27,500. Dependant on the information gained in these first two phases, cross sectional drilling, north-south, might then be recommended at a cost of \$45,000."

RAMBLER EXPLORATION COMPANY LIMITED
(Incorporated as a Public Company under the laws of Ontario)

Comparative Balance Sheet

	As at December 31, 1968	As at December 31, 1967
ASSETS:		
Current:		
Cash in Bank	\$ 1,543.54	\$ 322.63
Due from Broker	—	475.52
Marketable Securities — at cost — Schedule 1	8,498.53	1,129.50
(market value: 1968 — \$7,863.10)		
(market value: 1967 — \$ 550.00)		
Loans to Affiliated Corporations including interest thereon	347.31	4,306.47
Other:		
Incorporation Expense	2,903.50	2,903.50
	<u>\$ 13,292.88</u>	<u>\$ 9,137.62</u>
LIABILITIES:		
Current:		
Accrued Expenses	\$ 150.00	\$ 170.00
Due to Stockbroker	2,579.76	—
Corporation income tax payable	263.80	—
	<u>\$ 2,993.56</u>	<u>\$ 170.00</u>
SHAREHOLDERS' EQUITY:		
CAPITAL:		
Authorized: 4,000,000 shares n.p.v.		
Issued: 988,273 shares	\$ 98,830.00	\$ 98,830.00
Deduct:		
Deficit — Exhibit "B"	88,530.68	89,862.38
	<u>\$ 13,292.88</u>	<u>\$ 9,137.62</u>

Approved on behalf of the Board:

"JAMES B. GOAD", Director

"M. A. ERIKSEN", Director

Comparative Statement of Deficit

	As at December 31, 1968		As at December 31, 1967	
INCOME:				
Profit on sale of marketable securities	\$	1,485.27	\$	—
Interest earned		280.47		247.75
Dividends		20.06	\$	247.75
		<u>\$ 1,785.80</u>		<u>—</u>
EXPENSES:				
Accounting and Audit		150.00		150.00
Bank Charges		—		3.00
Capital and Place of Business Tax		—		20.00
Filing Fee		10.00		10.00
General		—		50.80
Interest paid		30.30		—
Loss on securities transactions		—	\$	488.75
		<u>\$ 190.30</u>		<u>\$ 722.55</u>
Net profit (loss) before income taxes		\$ 1,595.50		(\$ 474.80)
Provision for Corporation income tax		263.80		—
		<u>\$ 1,331.70</u>		<u>—</u>
Deficit — December 31, 1966		—		89,387.58
Deficit — December 31, 1967		89,862.38		<u>\$ 89,862.38</u>
Deficit — December 31, 1968		<u>\$ 88,530.68</u>		<u><u>—</u></u>

Comparative Schedule of Marketable Securities

No. of Shares	Name	As at December 31, 1968		As at December 31, 1967	
		Cost	Market Value	Cost	Market Value
6500	Min-Ore Mines Limited	—	—	\$1,014.50	\$ 520.00
1000	Pere Marquette Petroleum Limited	\$ 115.00	\$ 50.00	115.00	30.00
500	Northwest Canalask Nickel	133.25	115.00	—	—
1000	Calico Silver Mines Limited	1,387.40	1,190.00	—	—
25	Johns-Manville Corp.	2,133.42	2,339.39	—	—
100	I H C Corp.	4,729.46	4,168.71	—	—
		<u>\$8,498.53</u>	<u>\$7,863.10</u>	<u>\$1,129.50</u>	<u>\$ 550.00</u>

Auditors' Report

To the Shareholders,
Rambler Exploration Company Limited.

We have examined the balance sheet of Rambler Exploration Company Limited as at December 31, 1968 and the accompanying statement of deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of deficit present fairly the financial position of the company as at December 31, 1968 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
January 20, 1969.

STOWAR & SILBURN,
Public Accountants

RAMBLER EXPLORATION COMPANY LIMITED

(Incorporated as a Public Company under the laws of Ontario)

Balance Sheet as at March 31, 1969

ASSETS

CURRENT:

Cash in bank	\$ 128.14	
Due from stockbroker	14,579.83	
Marketable securities — at cost, Schedule 1 (market value \$17,510.00)	12,726.72	\$ 27,434.69
Loans to affiliated corporations including interest thereon, Schedule 2		347.31

OTHER:

Incorporation costs		2,903.50
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LIABILITIES

CURRENT:

Accrued charges	\$ 399.00	
Provision for corporation income tax	4,704.98	\$ 5,103.98

SHAREHOLDERS' EQUITY

CAPITAL:

Authorized — 4,000,000 shares of no par value		
Issued — 988,273 shares	98,830.00	

DEDUCT:

Deficit — Exhibit "B"	73,248.48	25,581.52
Approved on behalf of the Board: M. A. ERIKSEN, Director W. ROSS DEGEER, Director		<u>\$ 30,685.50</u>

Statement of Deficit

For the three months ended March 31, 1969

INCOME:

Profit on sale of marketable securities	\$ 20,552.22
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EXPENSES:

Bank charges	\$ 1.60	
Interest	164.44	
Management fees	300.00	
Rent	90.00	
Telephone	9.00	565.04
Net profit before provision for income taxes		19,987.18
Provision for corporation income tax		4,704.98
Net profit		15,282.20
Deficit, December 31, 1968		88,530.68
Deficit, March 31, 1969		<u>\$ 73,248.48</u>

Schedule of Marketable Securities

As at March 31, 1969

No. of Shares	Name	Cost	Market Value
1,000	Pere Marquette Petroleums Limited	\$ 115.00	\$ 100.00
1,000	Osisko Lake Mines Limited	766.00	510.00
1,000	Space - Pak International	3,000.00	9,750.00
100	I.H.C. Corporation	4,729.46	3,575.00
100	Van Dorn Company	4,116.26	3,575.00
		<u>\$ 12,726.72</u>	<u>\$ 17,510.00</u>

Schedule of Loans to Affiliated Companies

As at March 31, 1969

	Loan	Accrued Interest	Net
Pere Marquette Petroleums Limited	\$ 100.00	\$ 20.45	\$ 120.45
Pere Marquette Petroleums (Eastern) Limited	200.00	26.86	226.86
	<u>\$ 300.00</u>	<u>\$ 47.31</u>	<u>\$ 347.31</u>

Auditors' Report

To the Shareholders
Rambler Exploration Company Limited.

We have examined the balance sheet of Rambler Exploration Company Limited as at March 31, 1969 and the accompanying statement of deficit for the three month period ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of deficit present fairly the financial position of the company as at March 31, 1969 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
April 1, 1969

STOWAR & SILBURN,
Public Accountants

